

Message Text

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60

ACTION EB-06

INFO OCT-01 ARA-06 ISO-00 FEA-01 AEC-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-01 INR-05

INT-05 L-01 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01

OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-01 PA-01 PRS-01

USIA-06 /080 W

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R 231800Z OCT 74

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 4590

UNCLAS LA PAZ 6909

E.O. 11652: N/A

TAGS: ENRG, ECOM, BL

SUBJ: NEW Y.P.F.B. NATURAL GAS FIELD AND PETROLEUM PRICE

REF: LA PAZ 0550

1. ON OCTOBE 17 ROLANDO PRADA, GENERAL MANAGER YPFB, ANNOUNCED EXPLORATORY WELL DRILLED IN PALACIOS FIELD, ABOUT 120 KILOMETERS NORTH-NORTHWEST OF CITY SANTA CRUZ AND ROUGHLY 25 KILOMETERS EAST OF YAPACANI FIELD DISCOVERED BY GULF IN 1969, FOUND NATURAL GAS IN COMMERCIAL QUANTITIES EARLY IN OCTOBER 1974.

2. MINISTRY ENERGY AND HYDROCARBONS ON OCGOBER 22, 1974 PLACED ANNOUNCEMENT IN ALL LA PAZ DAILIES JUSTIFYING FALL OF BOLIVIAN PETROLEUM SALES PRICE TO US\$ 14.65 PER BARRELL SINCE AUGUST, 1974 FROM OP PRICE OF US\$ 16.00 PER BARRELL REACHED IN FEBRUARY THROUGH JULY, 1974. ANNOUNCEMENT STATED THERE WERE OCCASIONAL ONE-SHOT SALES AT US\$ 14.83, BUT FIRM NEGOTIABLE PRICE THROUGH REST OF 1974 IS US\$ 14.65 PER BARREL. IT POINTED OUT OPEC ESTABLISHED REFERNCE PRICE OF US\$ 11.65 PER BARREL IN PERSIAN GULF, BUT BECAUSE OF QUALITY AND NEARNESS BOLIVIAN OIL IS HIGHER PRICED. IN ADDITION, ANNOUNCEMENT CONTINUED,PRESNET PETROLEUM SALES BY OPEC ARE PRICED

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AT 90 TO 93 PERCENT OF US\$ 11.65 VALUE BECAUSE SUPPLIES HAVE IN-

INCREASED AND CONSUMPTION DECREASED AS RESULT OF AUSTERITY MEASURES
BY PETROLEUM CONSUMING COUNTRIES. MINISTER WAS QUOTED AS SAYING
THAT BOLIVIA WILL CONTINUE TO FOLLOW OPEC POLICY AND GOB COMPLETELY
ALLIGNED WITH COUNTRIES EXPORTING RAW MATERIALS.

3. COMMENT. GAS FIND IS SIGNIFICANT STEP FORWARD IN PROVING
SUFFICIENT GAS RESERVES FOR SUPPLYING GAS TO BRAZIL UNDER BRAZILIAN-
BOLIVIAN AGREEMENT.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATURAL GAS, EXPLORATORY DRILLING, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 23 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LAPAZ06909
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740303-0352
From: LA PAZ
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741024/aaaaatwm.tel
Line Count: 70
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: LA PAZ 0550
Review Action: RELEASED, APPROVED
Review Authority: CollinP0
Review Comment: n/a
Review Content Flags:
Review Date: 19 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19 MAR 2002 by chappeld>; APPROVED <11 FEB 2003 by CollinP0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NEW Y.P.F.B. NATURAL GAS FIELD AND PETROLEUM PRICE
TAGS: ENRG, EGEN, BL
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005